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Federal Communications Commission
Office of the Secretary

PRT Telefonica de Puerto Rico

Jon Slater
President and CEO

June 13, 2003

HAND DELIVERED

The Honorable César Rey
Secretary
Department of Education
Tres Monjes Industrial Park
Hato Rey, Puerto Rico

Dear Mr. Secretary:

We thank the Department of Education ("Department") for the opportunity to serve hundreds of public schools in Puerto Rico on your behalf through the Rereducate Phase I network. For five years, PRT and the Department have effectively served as partners in the federal E-Rate program. As you are aware, funding for Year V ends on June 30, 2003. Unless some further agreement is reached prior to that date, PRT has no recourse but to disconnect the Rereducate service and render final invoices.

In light of this, the Department has two options available for assuring the continuation of service through PRT. We would be pleased to continue to provide service beyond June 30 through a new agreement that must contemplate the specific appropriation of Department's funds or the Department can place an order for service through PRT's publicly available tariff.

We again thank you for selecting PRT as your E-Rate provider for five years, and look forward to working with you again in the future.

Cordially,



c. César R. Miranda, Esq.
Chief of Staff

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Commonwealth of Puerto Rico
DEPARTMENT OF EDUCATION

César A. Ray Hernández, Ph.D.
Secretary

June 23, 2003

Mr. Jon Slater
President and CEO
PRTC - Telefónica de Puerto Rico
PO Box 36098
San Juan, PR 00936-0998

Ref: Internet connectivity for Public Schools (Reedúcate Program)

Dear Mr. Slater:

This is in response to your letter to the undersigned of June 13, 2003, as well as with further reference to my letter to you of May 22, 2003, our meeting of May 15 and our several prior contacts by telephone or through our respective staff members. I also wish to incorporate by reference my letter of May 22 to Ms. Cristina Lambert of PRTC concerning some of the work performed and services rendered by PRTC to our Reedúcate Program during the past 5 years.

The tone of your letter notwithstanding, I invite you to examine the issues concerning the work and services PRTC has provided or is providing to the Reedúcate Project with the broader scope that the importance of the project's goals deserve.

Admittedly, the time frame for "funding year 5" in terms of USAC's chronology of to make E-Rate Funds available to qualified school districts is designed to expire on June 30, 2003. However, whether PRTC has performed all the work and provided at an acceptable level of quality all the services it has been contracted to supply for program years 1, 2, 3, 4 and 5 remains to be corroborated. Thus, PRTC would be well advised to conduct a more candid self evaluation of the work it has performed and the services it has rendered during the five years that we have "effectively served as partners" as stated in your letter. The prospect that you claim PRTC is now facing of conducting a unilateral, uncoordinated disconnection cannot be seen as an isolated element, but quite the contrary. The situation we are facing today is inevitably intertwined with PRTC's acts and

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Hon. John Slatar
Page 2

omissions, achievements and shortcomings, strategies and judgement calls throughout this 5-year partnership. This includes your recent attempt to discredit the adjudication of the year 6 procurement process based on insinuations of impropriety by our bidding board that you know or should have known, are meritless. Thus, PRTC is no innocent bystander to the present state of affairs. And we certainly take exception of your claim of having "no recourse" but to unilaterally disconnect, without the slightest attempt to coordinate a good faith transition with our Department and the next provider.

If PRTC truly values its partnership with our Department it should recognize that it has other options. You and I discussed several during our meeting of May 15. Likewise, we at the Department have more options than those suggested in your letter. Rest assured that we are evaluating all of them.

Cordially,


César A. Rey-Hernández, Ph.D.
Secretary

CC: Hon. Sila M. Calderón
Hon. César A. Miranda
Jana A. Mago, FCC